

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2138 - SB 2187

April 2, 2009

SUMMARY OF BILL: Removes the sale of wine, including the licensure of wineries, from state regulation and transfers control of the sale of wine to the local level to be regulated in a manner similar to beer. Authorizes any local government having approved the sale of beer to also permit the sale of wine.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures – Not Significant

Increase Local Revenue – Exceeds \$100,000

Increase Local Expenditures – Exceeds \$100,000*

Assumptions:

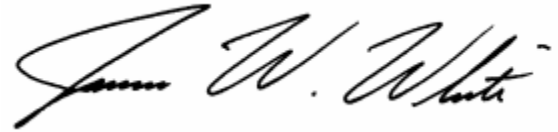
- The provisions of the bill do not change any of the taxes currently associated with wine.
- Local governments may charge permitting fees to retail applicants. However, the amount of such fees and the jurisdictions that would charge such fees is unknown. As a result, a precise estimate cannot be calculated but can reasonably be estimated to exceed \$100,000 statewide.
- Larger jurisdictions such as Shelby or Davidson County will require additional staff to handle the increase in administrative responsibilities for the beer boards.
- Local governments will charge fees in an amount equivalent to offset any increased expenditure to local beer boards.
- Any increase in local expenditures to inspect the 39 wineries in the state is estimated to be not significant and will be offset by increased fee revenue.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/cce